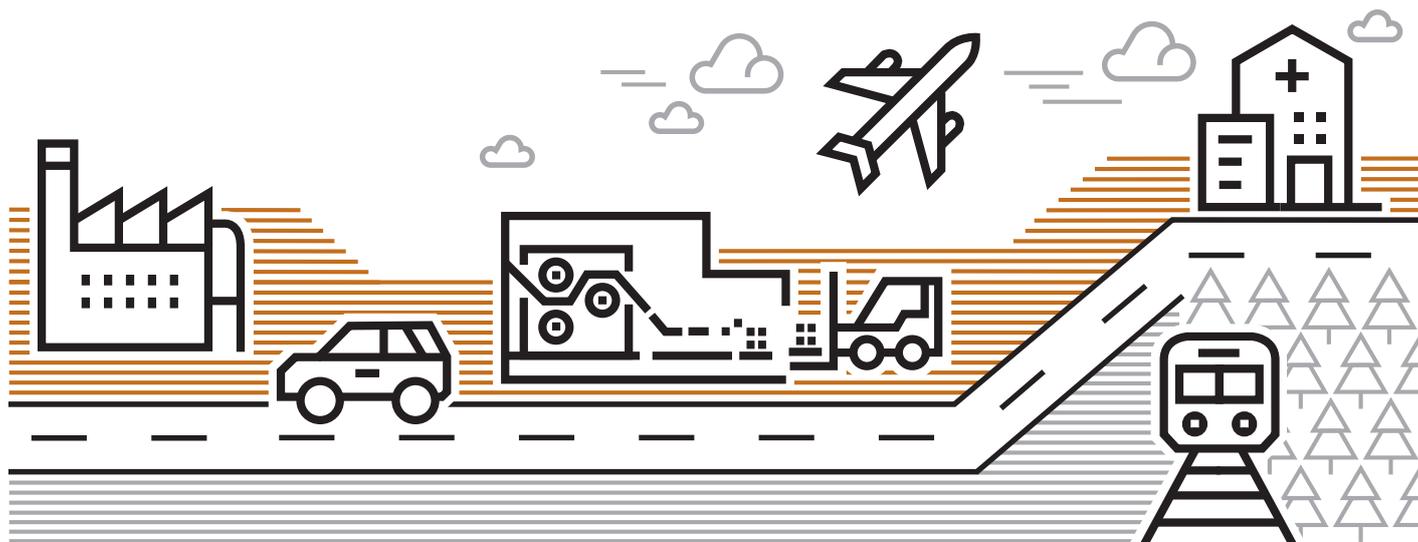


Trelleborg Coated Systems

BUSINESS AREA

Trelleborg Coated Systems is a leading global supplier of unique customer solutions for polymer-coated fabrics deployed in several industrial applications.



” Our position as a premium supplier of engineered polyurethane-coated fabrics was strengthened in healthcare & medical with the acquisitions of Dartex and Lamcotec and we are now building increasingly strong offerings in several of our selected niches.”

” Our printing blanket solutions are at the technological cutting edge with several product innovations released during the year, and we are investing broadly in marketing and sales to increase our local presence.”



Dario Porta,
Business Area President

Polymer engineering. The development and production of polymer-coated fabrics requires expertise and applications know-how in the field of polymer engineering. From these fabrics, printing blankets are made for all types of printing, including coated fabrics that form part of a large number of products, from space rockets to inflatable products, such as rescue boats. A common feature of the products is their high technological content and their critical role in the overall solution, while at the same time representing a relatively small share of total costs for customers.

The business area is unique in its markets in that it has a global production capacity and a major local presence. Sales and customer support are carried out both directly and via distributors in more than 100 countries. Trelleborg holds leading positions in its selected niches.

A new online shop for printing blankets – the first of its kind – was launched in the French market in 2018.

Trelleborg offers a variety of functions and features for its different niche products, such as high technical content and innovative products for aerospace focusing on safety and weight, and robust, reliable and secure solutions for transportation

equipment with the emphasis on continuous and safe operations. Healthcare & medical products often have short development cycles. Requirement specifications are demanding and the materials have a high technology content. The business area broadened its offering in the area in 2018 with the acquisitions of U.K. company Dartex and U.S. company Lamcotec, thus strengthening the business area’s position as the premium supplier of engineered polyurethane-coated fabrics.

Sales and earnings 2018. Organic sales declined 2 percent compared with 2017. Sales of coated fabrics remained unchanged during the year. North America and Asia contributed a positive organic performance, although this could not fully offset the lower sales in Europe. Organic sales of printing blankets decreased during the year, with North America and Asia noting a stable trend while the performance in other regions was weaker.

EBIT and the EBIT margin increased year on year, due primarily to improved productivity. Exchange rate effects from the translation of foreign subsidiaries had a positive impact of SEK 12 M on EBIT compared with 2017.

MARKET SEGMENT

 Printing and coating plate solutions for all types of offset printing, as well as flexo and digital printing. Carrier sleeve product line for packaging flexo printing. Coated fabrics and calendared materials for multiple industrial applications including belts, gaskets, seals and hoses, as well as healthcare & medical accessories, such as wound retractors, blood pressure cuffs and mattresses.

 Coated fabrics for train bellows, among other applications.

 Coated fabrics used in, for example, aircraft evacuation slides, aerostats, life vests, life rafts, helicopter safety floats and thermal insulation for space rockets.

 Calendared materials for brake shims and belts, for example.

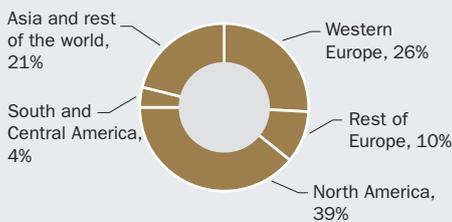
PRODUCTION UNITS: Brazil, China, France, Italy, Slovenia, Sweden, the U.K. and the U.S.

EXAMPLES OF BRANDS/PRODUCT NAMES: Axcyl®, Dartex®, Printec®, Rollin®, Sava and Vulcan®.

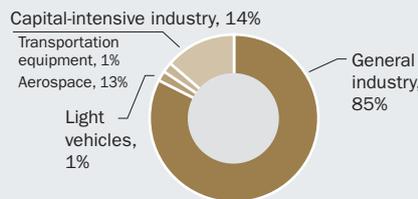
KEY CUSTOMERS: Companies mainly active in the general industry segment, including the graphic industry, the healthcare & medical industry and aerospace industry.

PRINCIPAL COMPETITORS: Continental, Flint Group, Kinyo, Meiji and Pennel & Flipo.

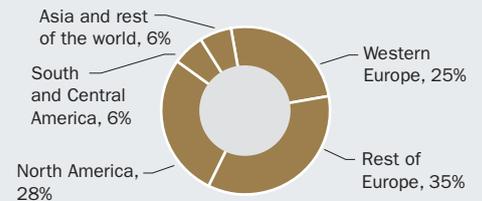
Net sales per geographic market, %



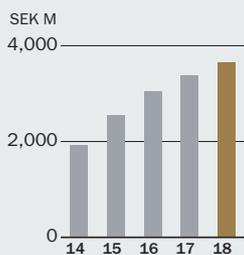
Net sales per market segment, %



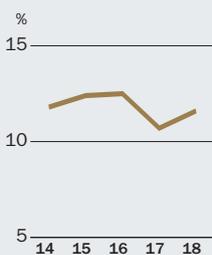
Employees per geographic market, %



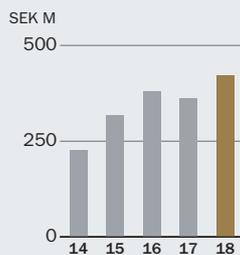
Net sales



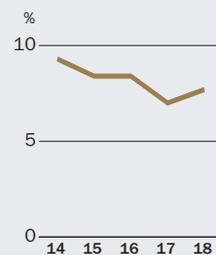
EBIT margin



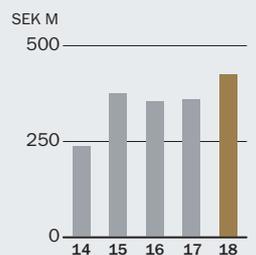
EBIT



ROCE



Operating cash flow



**BUSINESS AREA
LONG-TERM TARGET
FOR EBIT MARGIN
>15%**

| Key figures, excluding items affecting comparability, SEK M | 2018 | 2017 |
|--|-------|-------|
| Net sales | 3,651 | 3,377 |
| Share of consolidated net sales, % | 11 | 11 |
| EBIT | 423 | 361 |
| EBIT margin, % | 11.6 | 10.7 |
| Capital employed | 5,644 | 5,021 |
| Return on capital employed (ROCE), % | 7.7 | 7.0 |
| Capital expenditures | 184 | 148 |
| Operating cash flow | 429 | 361 |
| Operating cash flow/operating profit, % | 101 | 100 |
| Number of employees at year-end, including insourced staff and temporary employees | 2,014 | 1,902 |

Trelleborg BUSINESS AREA Industrial Solutions

Trelleborg Industrial Solutions is a leading supplier of polymer-based critical solutions in such industrial application areas as selected hose and sealing systems and antivibration solutions for rail vehicles, vessels and industrial equipment.



” Our focus on selected niches and applications has proved successful. We have concentrated on being in the right place with the right business to ensure a more efficient structure.”

” We are broadening our offering and creating added value for our customers, providing opportunities to grow organically, not least by adding seemingly simple yet important functions to our products.”

Jean-Paul Mindermann,
Business Area President



Application expertise. The products in the business area are highly varied, but the common denominator is that Trelleborg brings a high level of applications expertise. Every solution is driven by in-depth knowledge of a specific, and often niche, application. Understanding of the market and close cooperation with customers is a critical factor in the development of each solution.

The business area is a leader in its global niches, such as hoses, sealing profiles, antivibration systems, pipe seals and automotive boots.

The pace of innovation is high and combined with a focus on making it easy for customers. For example, new axle guiding bush technology for railroad cars saves both energy and maintenance costs. Built-in wear indicators in industrial hoses make it easier for customer to plan maintenance. Comprehensive solutions for repairing pipes without needing to dig a trench make it easier, less expensive and more environmentally compatible for customers.

A significant share of the business area's operations and share of sales is in Europe, but the business area has also made acquisitions and grown in other parts of the world in recent years. For instance, the U.S. sealing profiles operations were

consolidated in 2018 to enhance production efficiency and to meet growth in the market, while certain work flows were transferred to a new production site in Mexico, thereby bringing them closer to the customer base.

Sales and earnings 2018. Organic sales rose 8 percent compared with 2017. Most market segments, apart from the construction industry, reported positive organic sales.

EBIT increased compared with the preceding year, due primarily to higher volumes, previously implemented acquisitions and completed restructuring measures. The EBIT margin remained at the same level as a year earlier and was impacted by the shortage of qualified labor in the Czech Republic. Exchange rate effects from the translation of foreign subsidiaries had a positive impact of SEK 11 M on EBIT compared with 2017.

MARKET SEGMENT

 Fluid-handling solutions, for example, in hoses, expansion joints and elastomer materials. Antivibration solutions, such as vibration dampers and precision components. Specialized V-belts. Sealing profiles for facades, windows and doors.

 Marine hoses for handling oil and gas.

 Pipe seals and repair of drinking water and wastewater systems. Inflatable rubber dams.

 Vibration-damping and acoustic solutions

for rail vehicles and marine applications as well as off-highway and heavy vehicles.

 Polymer boots for drive shafts and steering applications. Vibration-damping and acoustic solutions, as well as rubber components.

PRODUCTION UNITS: Brazil, China, the Czech Republic, Estonia, Finland, France, Germany, India, Lithuania, Mexico, Poland, Spain, Sweden, Turkey, the U.K. and the U.S.

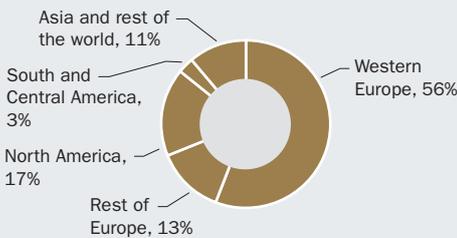
EXAMPLES OF BRANDS/PRODUCT NAMES: CRYOLINE®, DragonCoat®, KLELINE®, Metalastik®, Novibra®, Power-Lock™,

Rubena, Sava, SEALINE®, Sewer-Lock™, TRELLELINE® and TRELIVAC.

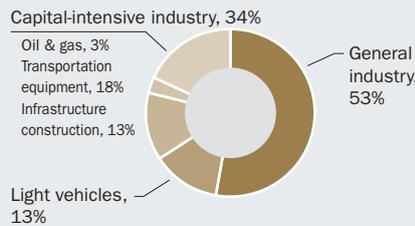
KEY CUSTOMERS: Companies active in general industry, infrastructure and construction, the transportation industry and offshore oil & gas.

PRINCIPAL COMPETITORS: Continental, Freudenberg, GMT, Hamilton Kent, Hultec, Hutchinson, IVG, Lord, M.O.L., Parker Hannifin, Sanok Rubber, Semperit, Tremco and Tyman.

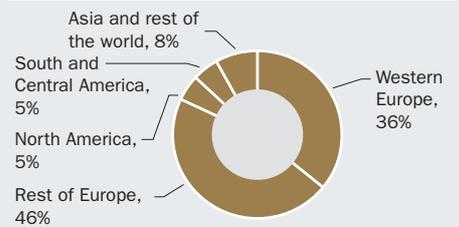
Net sales per geographic market, %



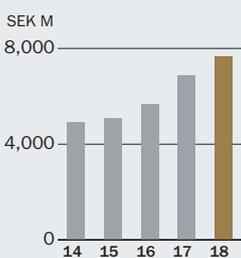
Net sales per market segment, %



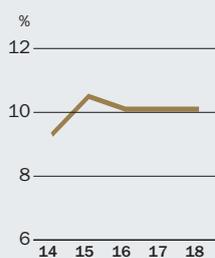
Employees per geographic market, %



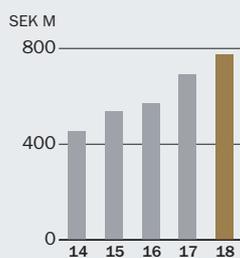
Net sales



EBIT margin



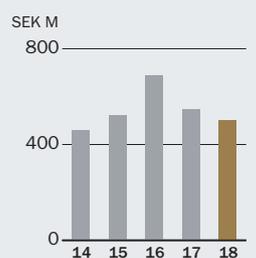
EBIT



ROCE



Operating cash flow



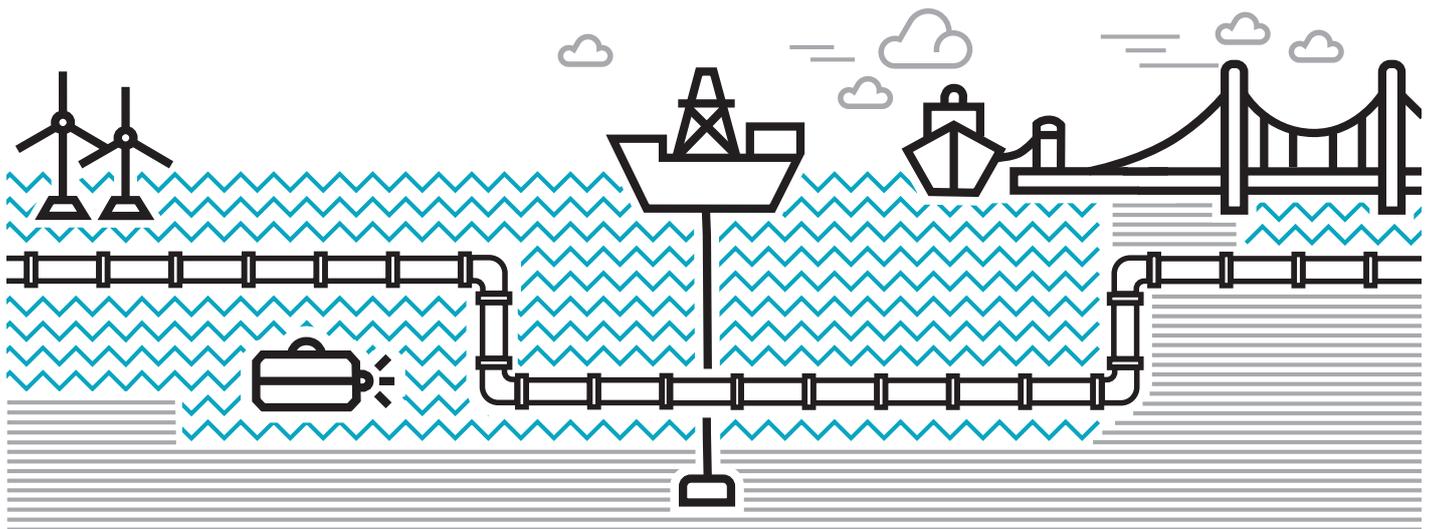
**BUSINESS AREA
LONG-TERM TARGET
FOR EBIT MARGIN
>12%**

| Key figures, excluding items affecting comparability, SEK M | 2018 | 2017 |
|--|-------|-------|
| Net sales | 7,665 | 6,884 |
| Share of consolidated net sales, % | 22 | 21 |
| EBIT | 775 | 693 |
| EBIT margin, % | 10.1 | 10.1 |
| Capital employed | 6,283 | 5,790 |
| Return on capital employed (ROCE), % | 12.5 | 12.3 |
| Capital expenditures | 564 | 372 |
| Operating cash flow | 503 | 547 |
| Operating cash flow/operating profit, % | 65 | 79 |
| Number of employees at year-end, including insourced staff and temporary employees | 6,123 | 5,789 |

Trelleborg

BUSINESS AREA Offshore & Construction

Trelleborg Offshore & Construction is a leading global project supplier of polymer-based critical solutions deployed in highly demanding offshore oil & gas and infrastructure construction environments.



“Our proven products and solutions protect major investments. We have an impressive list of references for effective solutions already installed around the world that plays a key role when it comes to selling in new projects.”

“Supplying solutions to various infrastructure projects is becoming increasingly common. We have unique and complete solutions for ports that focus on safety and cost efficiency.”



Peter Nilsson,
Business Area President

Local presence, global reach. The business area is a dedicated project-based operation. Just over half of the business area's solutions are sold to infrastructure projects, such as marine solutions, while the remaining share comprises solutions for offshore oil & gas. A common feature is that the solutions are designed to perform in the toughest of environments where there is no room for error. Local presence and global reach are key factors for the business area's customers.

Trelleborg offers complete and intelligent solutions for ports. From fenders to module-based pilot and port management systems. Ports and pilots face a number of challenges as the size of cargo vessels increases. A shortage of berth space leads to a focus on safety and efficiency. Trelleborg's SmartPort solutions are unique in the market and make it easier for the pilot to perform his or her work well, quicker and more safely.

Like everyone in the offshore oil & gas industry, the business area has been impacted by the challenging market situation. Trelleborg is late cyclical in this field, meaning that the economic downturn was not felt until about 12–18 months afterwards. There is a corresponding delay as

the economy improves. Trelleborg has both consolidated the relevant areas of the operations and broadened its offering to closely related sectors, such as cable protection for offshore wind farms, or passive fire protection solutions for industries that are susceptible to explosions and fuel fires.

Sales and earnings 2018. Organic sales declined 18 percent compared with 2017, primarily impacted by the low level of market activity in parts of offshore oil & gas, but also by weaker deliveries in construction infrastructure. The order book for deliveries in 2019 improved during the year.

EBIT and the EBIT margin were lower compared with the preceding year, mainly as a result of lower project deliveries in offshore oil & gas but also due to lower sales in infrastructure construction. Activities to adapt the organization to the lower market activity continued in 2018, including a gradual closure of a facility in the U.S. Exchange rate effects from the translation of foreign subsidiaries had a negative impact of SEK 6 M on EBIT compared with 2017.

MARKET SEGMENT

 Polymer-based solutions for exploration and extraction of offshore oil and gas, from platform to seabed, with buoyancy modules, thermal insulation, bend restriction, cable and flowline protection, fire protection and other engineered solutions.

 Sealing and vibration-damping solutions for tunnels, bridges and other large construction and civil engineering projects. Marine structures and smart technologies for berthing, docking and mooring in ports and offshore.

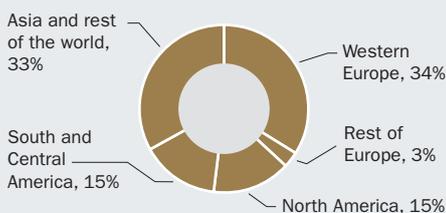
PRODUCTION UNITS: Australia, Brazil, Denmark, China, Netherlands, Norway, Singapore, U.K. and U.S.

EXAMPLES OF BRANDS/PRODUCT NAMES: ANDRE, AutoMoor, Ecofloat®, Elastopipe™, FireNut, NjordGuard, RiserGuard, Scandura, SCN Super Cone, SeaGuard, SeaTechnik™, SmartDock®, SmartPort, Ultra M.I.S., Unitex, Uraduct® and Vikotherm®.

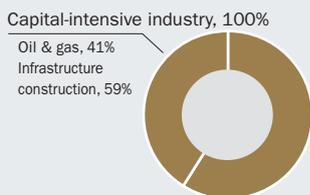
KEY CUSTOMERS: Companies active in offshore oil & gas and companies that construct and manage tunnels, bridges, buildings, ports and shipyards, including construction companies and engineering consultancies.

PRINCIPAL COMPETITORS: Balmoral, Dätwyler, FenderCare, Hutchinson, Mampaey, Matrix, ShibataFenderTeam, Tekmar and Yokohama.

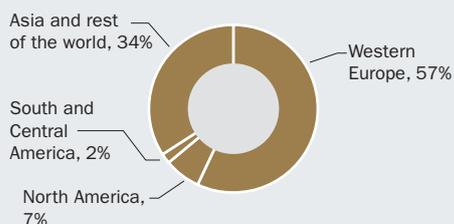
Net sales per geographic market, %



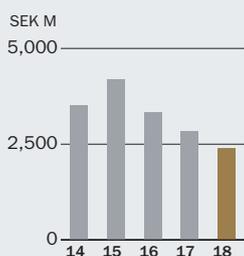
Net sales per market segment, %



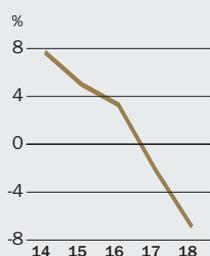
Employees per geographic market, %



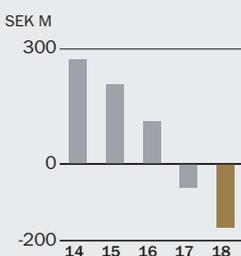
Net sales



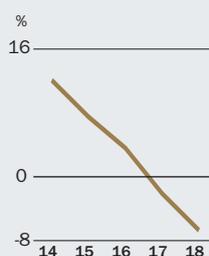
EBIT margin



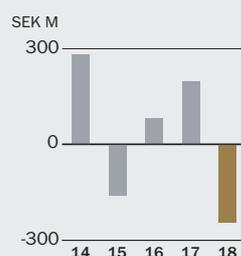
EBIT



ROCE



Operating cash flow



BUSINESS AREA LONG-TERM TARGET FOR EBIT MARGIN >10%

| Key figures, excluding items affecting comparability, SEK M | 2018 | 2017 |
|--|-------|-------|
| Net sales | 2,386 | 2,841 |
| Share of consolidated net sales, % | 7 | 9 |
| EBIT | -165 | -61 |
| EBIT margin, % | -6.9 | -2.1 |
| Capital employed | 2,467 | 2,323 |
| Return on capital employed (ROCE), % | -6.7 | -2.1 |
| Capital expenditures | 161 | 69 |
| Operating cash flow | -245 | 197 |
| Operating cash flow/operating profit, % | 149 | neg |
| Number of employees at year-end, including insourced staff and temporary employees | 1,511 | 1,566 |

Trelleborg BUSINESS AREA Sealing Solutions

Trelleborg Sealing Solutions is a leading global supplier of polymer-based critical sealing solutions deployed in demanding general industry, light vehicle and aerospace environments.



“ We are leading the way in new solutions that make it easy for customers to do business with us. The pace of development is high – we are continuously developing new products and solutions. Completed acquisitions have contributed positively to the business, in terms of both earnings and expertise.”

“ The digital trend is being addressed through digital services and apps for customers, as well as through cognitive sealing – our specific approach to predictive maintenance for sealing systems.”



Peter Hahn,
Business Area President

Business accelerator. Developing the optimal solution for our customers’ sealing challenges forms the basis for how the business area acts; from concept to delivery. Cooperation with and understanding of the customers’ business and their markets is an important parameter, as is being a partner who it is easy to do business with.

The business area holds leading positions in its segments. The products often have a critical function in the customer’s solution, while representing a minor portion of the total manufacturing cost. Most of the products are engineered using materials that have patented compositions.

The business area is growing in such areas as healthcare & medical, which is seeing strong demand in, for example, surgery, cardiology and drug delivery. With the acquisition of Sil-Pro in January 2019, the product range was expanded in such areas as drug-eluting devices, skin substitutes for burns and chronic wounds, and components for continuous glucose monitoring systems for people with diabetes.

Another growth area is electrification – not only cars, but also machines and tools in general. Advances are setting new demands on machinery design, requiring

somewhat different sealing solutions than those found today.

Service PLUS is a growing innovative service that is offered to selected customers. This may, for example, involve helping customers automate reordering by using the innovative IntelliStok solution. Based on sensors, IntelliStok detects demand for replenishment and initiates reordering automatically, without any manual work involved.

Sales and earnings 2018. Organic sales rose 7 percent compared with 2017. All geographic regions demonstrated a positive organic trend, with sales increasing to general industry and the automotive and aerospace industries. The strongest organic sales growth was noted in Asia, but growth was also favorable in Europe and North America.

EBIT rose primarily as a result of higher volumes, acquisitions and effective cost control. The EBIT margin was maintained at a high level throughout the year, despite a certain impact from completed acquisitions with lower margins. Exchange rate effects from the translation of foreign subsidiaries had a positive impact of SEK 72 M on EBIT compared with 2017.

MARKET SEGMENT

 Precision seals for a range of industrial applications with a focus on O-Rings, rotary seals and hydraulic seals.

 Safety-critical aircraft seals used in such application areas as engines, flight control actuators, landing gear, wheels and brakes as well as aerodynamic seals.

 Advanced and often safety-critical seals, mainly for fuel systems, steering, air conditioning and exhaust systems, as well as composite technology designed for damping and sealing.



Specially engineered sealing solutions in, for example, trains.



Sealing configurations for hydraulic equipment in, for example, tractors.



Specialty seals in various oil and gas installations.

PRODUCTION UNITS: Brazil, Bulgaria, China, Denmark, France, India, Italy, Malta, Mexico, Poland, Switzerland, the U.K., Sweden and the U.S.

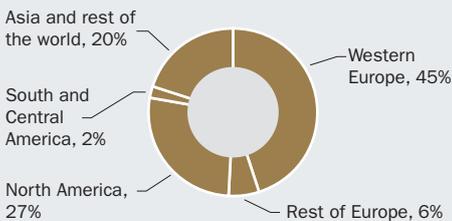
EXAMPLES OF BRANDS/

PRODUCT NAMES: American Variseal®, Busak+Shamban, Forsheda®, GNL, Nordex, Orkot®, Palmer Chenard, Polypac®, Rubore®, SF Medical, Shamban®, Silcotech, Skega®, Stefa® and Wills Rings®.

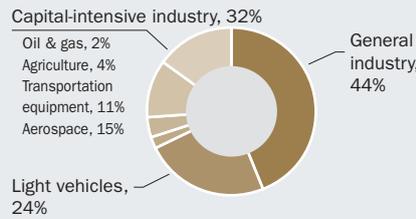
KEY CUSTOMERS: Global companies active primarily in general industry, including the healthcare & medical industry, and suppliers to aircraft and light vehicle manufacturers.

PRINCIPAL COMPETITORS: Federal Mogul, Fenner, Freudenberg, Greene Tweed, Hutchinson, Kirkhill-TA, Meggitt, NOK, Parker Hannifin, Saint Gobain, SKF, and Wolverine.

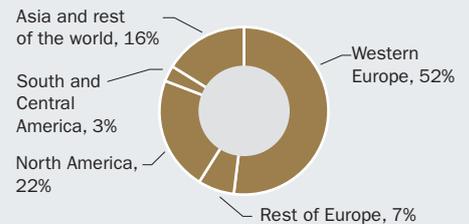
Net sales per geographic market, %



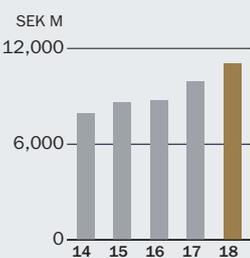
Net sales per market segment, %



Employees per geographic market, %



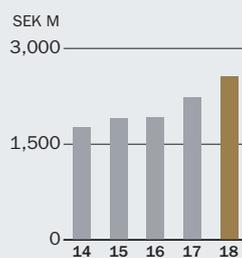
Net sales



EBIT margin



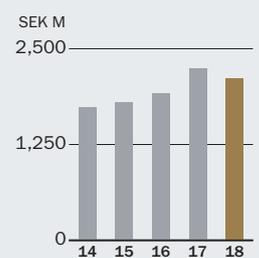
EBIT



ROCE



Operating cash flow



**BUSINESS AREA
LONG-TERM TARGET
FOR EBIT MARGIN
>22%**

Key figures, excluding items affecting comparability, SEK M

| | 2018 | 2017 |
|--|--------|--------|
| Net sales | 11,049 | 9,956 |
| Share of consolidated net sales, % | 32 | 31 |
| EBIT | 2,559 | 2,231 |
| EBIT margin, % | 23.2 | 22.4 |
| Capital employed | 11,350 | 10,258 |
| Return on capital employed (ROCE), % | 23.1 | 21.6 |
| Capital expenditures | 510 | 387 |
| Operating cash flow | 2,120 | 2,241 |
| Operating cash flow/operating profit, % | 83 | 100 |
| Number of employees at year-end, including insourced staff and temporary employees | 6,799 | 6,356 |

Trelleborg

BUSINESS AREA

Wheel Systems

Trelleborg Wheel Systems is a leading global supplier of tires and complete wheels for agricultural machines, materials handling and construction vehicles, and two-wheeled vehicles.



Our customer relationships are the focus of everything we do.

New products and solutions are the result of such customer collaboration. Precision farming technologies are gradually transforming the agricultural industry into a high-tech business and our products are becoming increasingly intelligent.”

The integration of the CGS

tire business continued during the year. We are working intensively to optimize the production structure and thus our capacity utilization.”



Paolo Pompei,
Business Area President

Customer integration. The business area’s close cooperation with its customers worldwide is central for addressing shifts in the global market. For example, the business area has extensive co-engineering and co-marketing programs with major tractor manufacturers.

Trelleborg is a leader in the business of tires for agriculture and material handling vehicles, with a growing presence in selected niches for construction and two-wheeled vehicles. For example, an investment during the year was made in India via a joint venture to boost production capacity and operate more globally in niches for two-wheeled motor vehicles, such as enduro and motocross.

Two tire distributors were acquired during the year. The largest, TRS Tyre & Wheel, is based in New Zealand and is a distributor of tires and complete wheels for tire resellers and tractor dealers. The other acquisition, a tire distributor for material handling vehicles, such as forklifts, represents a strategic element for the growth of the Interfit concept, which offers a variety of aftermarket tire services, including answering customer-service calls and sending out service technicians.

The business area continued integration

of the CGS tire business, Mitas, during the year. The integration process is relatively complex and several projects are under way in key countries, such as Serbia and the Czech Republic, to optimize the production structure and thus capacity utilization. This work is aimed at realizing the synergies expected from the acquisition.

Sales and earnings 2018. Organic sales increased 2 percent compared with 2017. The organic sales trend for tires for agricultural machinery, material handling vehicles and construction machinery all developed well, with a somewhat weaker end to the year.

EBIT and the EBIT margin rose sharply, mainly due to synergies from acquisitions completed earlier and higher volumes. Exchange rate effects from the translation of foreign subsidiaries had a positive impact of SEK 38 M on EBIT compared with 2017.

MARKET SEGMENT

 Tires and complete wheels for tractors and other vehicles used in agriculture and forestry.

 Tires and complete wheels for material handling vehicles, including forklifts and other highly utilized and high-load material handling vehicles, such as construction vehicles. High-performance tires for bicycles and motorcycles.

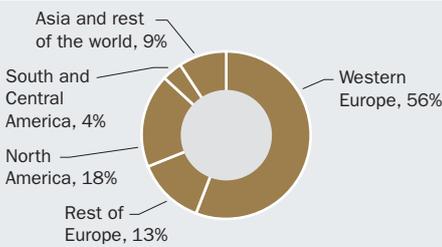
PRODUCTION UNITS: Brazil, China, the Czech Republic, Italy, Latvia, Serbia, Slovenia, Sri Lanka and the U.S.

BRANDS: Cultor, Interfit, Maximo, Mitas and Trelleborg.

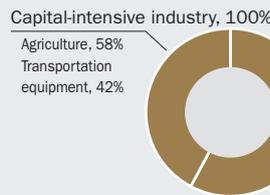
KEY CUSTOMERS: Manufacturers, distributors and dealers of agricultural and forestry machinery, and end customers. Manufacturers and distributors of forklifts, distributors and dealers of tires and tire service companies for material handling vehicles and construction vehicles. Suppliers of custom-made bicycles and motorbikes.

PRINCIPAL COMPETITORS: BKT, Continental, Bridgestone/Firestone, Goodyear/Titan, Michelin/Camso, Nokian, Vredestein and Yokohama/Alliance.

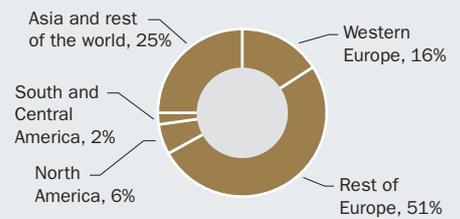
Net sales per geographic market, %



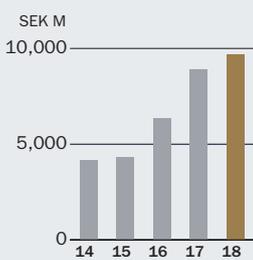
Net sales per market segment, %



Employees per geographic market, %



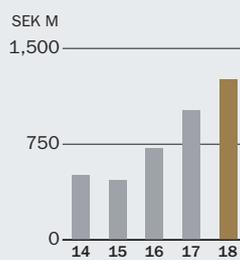
Net sales



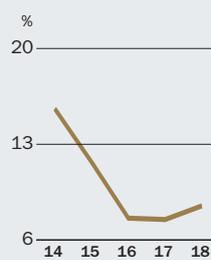
EBIT margin



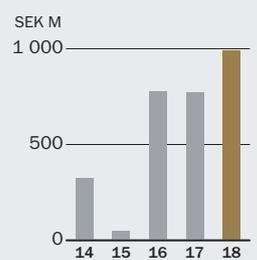
EBIT



ROCE



Operating cash flow



**BUSINESS AREA
LONG-TERM TARGET
FOR EBIT MARGIN
>15%**

| Key figures, excluding items affecting comparability, SEK M | 2018 | 2017 |
|--|--------|--------|
| Net sales | 9,688 | 8,878 |
| Share of consolidated net sales, % | 28 | 28 |
| EBIT | 1,255 | 1,016 |
| EBIT margin, % | 13.0 | 11.4 |
| Capital employed | 14,808 | 13,936 |
| Return on capital employed (ROCE), % | 8.5 | 7.5 |
| Capital expenditures | 496 | 403 |
| Operating cash flow | 992 | 773 |
| Operating cash flow/operating profit, % | 79 | 76 |
| Number of employees at year-end, including insourced staff and temporary employees | 7,296 | 7,251 |